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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 000759

SIPDIS

PLEASE PASS COMMERCE/BIS FOR MATT BORMAN AND NRC FOR
COMMISSIONER MERRIFIELD

E.O. 12958: DECL: 12/31/2014

TAGS: [PREL](#) [KNNP](#) [ETTC](#) [TSPA](#) [IN](#) [NSSP](#)

SUBJECT: RESTORING MOMENTUM TO OUR NSSP RELATIONSHIP

REF: NEW DELHI 72

Classified By: DCM Robert O. Blake, Jr. for Reasons 1.4 (B, D)

11. (C) MEA Joint Secretary Americas Jaishankar called in DCM and PolCouns on January 31 to reiterate his earlier message (reftel) regarding the likely impasse in our Next Steps in Strategic Partnership (NSSP) relationship if we are not able to achieve buy-in from key GOI scientific agencies that for now blame MEA for the shortfall between "the promise and the reality" of our high tech relationship. Jaishankar acknowledged real progress under the NSSP, as demonstrated, for instance in the growing volume of licensed trade. He characterized the Defense Research and Development Organization (DRDO) as the most "clued in" of the three key NSSP constituencies, but indicated that ISRO (space) and AEC (civil nuclear) were problematic. Following up on our earlier encouragement for India to produce the draft export control documentation required for Phase 2 of NSSP, Jaishankar warned that he faced increasing opposition from AEC and to a lesser degree ISRO because of "question marks about commitment (to NSSP) on the US side."

12. (C) Echoing earlier comments by the Prime Minister, Jaishankar emphasized that India in some areas could take steps on export control that surpass the US benchmarks. However, he reiterated, he had a sense that AEC in particular was starting to "disassociate itself" from the NSSP process, because of a perception that nothing was really changing in their relationship with the US.

13. (C) Elaborating on this point, Jaishankar flagged two major areas of potential cooperation:

-- On civil nuclear issues, India wants to address safety issues within the reactor island. This will be a GOI focus during the upcoming visit by NRC Commissioner Meserve. Echoing Foreign Secretary Saran's November pitch to NSA Rice, Jaishankar also urged that the US not persist in blocking others (a reference to Russia and France) from their proposals for civil nuclear cooperation with India.

-- On space, Jaishankar passed on a non-paper (full text para 6) seeking a US non-objection for the Indian launch of a Thai earth observation satellite containing US scientific components. He warned that US opposition to transactions of this sort ("killing their commercial prospects elsewhere") made it hard for him to build a constituency in ISRO for US-India space cooperation.

Concluding, Jaishankar asked for an update of US deliberations on these issues, reiterating the GOI hope that Washington will consider steps to maintain momentum in the NSSP.

14. (C) PolCouns noted that the NSSP is a two way street, with several steps outstanding that India could usefully take to maintain momentum behind the process, including the sharing of Indian export control legislation and completion of India's space cooperation wish list. DCM also warned that a US reply on these issues could be delayed by the transition in Washington. Jaishankar took these points, but reiterated that without a "forthcoming attitude on both sides" progress in the NSSP framework is likely to be slow.

15. (C) Comment: Reftel laid out a series of possible steps to address GOI dissatisfaction with the nuclear leg of the NSSP, including Indian participation in ITER, other cooperation on nuclear fusion, or more robust safety collaboration with the US Nuclear Regulatory Commission. Jaishankar acknowledged that US flexibility in these areas is constrained by US law and our NPT obligations, but also underlined that India wants to find common ground with the US, accepts the basic framework of NSSP quid-pro-quo, and hopes Washington will look again at options for deepening our civil nuclear cooperation.

16. (U) Begin text, MEA non-paper:

Astrium, a 100% subsidiary of EADS, is examining the launch of a Thai earth observation satellite, Theos, on the Indian PSLV. Technically, the launch platform parameters appear to be appropriate.

However, Theos contains some US components and there appear to be apprehensions, possibly misplaced, that USG may not give requisite clearance for such a launch.

The conclusion of NSSP I and ongoing discussions on NSSP II have created a climate of confidence and understanding between GOI and USG. It is GOI's expectation that USG would not have reservations on a launch proposal that has only commercial significance.

Accordingly, GOI requests USG confirmation that it would not have objection to the proposed launch. End text.
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